

2004 Session Wrap-up

Spring 2004



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Dear Friends,

The Legislature completed the scheduled 60-day session March 11. The session was fast-paced and we tackled many important issues facing Washington families.

Although this wasn't a budget year, the Legislature worked hard to adopt supplemental operating and transportation budgets that fund important public services — without raising your taxes. In addition we adopted important policy bills aimed at restoring our state's economy, putting people back to work, and rebuilding public trust in government.

This newsletter highlights many of the session's successes, as well as issues that will need the Legislature's attention next year.

Please take a few minutes to review my newsletter, and if you have questions or concerns, please give me a call. I'm always glad to hear from you, and welcome your thoughts and ideas.

Thank you for the honor and privilege of serving as your state representative.

Sincerely,

Jan Shabro
State Representative
31st District

Here's how we did on my top priorities for the 2004 legislative session

Maintaining a fiscally responsible state budget

• Supplemental operating budget

As one of its final actions before adjournment, the Legislature approved a compromise supplemental budget. Although it increases spending by \$145 million, the proposal requires no new taxes and leaves just under \$300 million in reserves — a significant improvement over the original House Democrat budget, which left a reserve balance of less than 1 percent to cover emergencies and unforeseen expenses.

\$300 million may seem like a lot of money, but in reality, it's a far cry from what we need in our "rainy day" emergency fund to be prepared for unforeseen emergencies. An adequate reserve fund should maintain at least five percent of our general fund budget in reserves (about \$1.4 billion). This is necessary to meet any shortfalls resulting from a sluggish economy, maintain a high bond rating (ours is now lower and it costs more to borrow money), and meet emergencies such as forest fires.

It's critical for our state's future to live within its means and maintain adequate reserves. Consequently, I will continue to work toward achieving these goals in future sessions.

Included in the budget are new higher education enrollment slots for high-demand fields, a 1 percent pay increase for classified public school employees, and almost \$13 million in new spending on nursing homes and the state's contract with home health-care workers created by House Bill 1777 and Initiative 775.

• Supplemental transportation budget

Two important highways in the 31st District were funded in the supplemental transportation budget. Phase II of the State Route 164 corridor study received \$650,000 and State Route 169 received \$1 million for an initial corridor study.

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Both these highways are in critical need of expansion and safety work due to high volume traffic. With the expanding development between Renton, Maple Valley and Enumclaw, as well as the development between Enumclaw and Auburn, the need is dramatic.

- **Continuing to create and retain jobs for Washingtonians**

An important set of tax credits and deferrals for employers who generate jobs, particularly in rural areas, was scheduled to expire this year. Some 560 companies are using these tax incentives, and business leaders believe them important for our state to be competitive in attracting high-demand, high-paying jobs.

Passage of **House Bill 2546**, a high-tech tax incentive measure, was one of the session's early achievements. Measures such as these will help in our continuing effort to diversify and strengthen our state's job market. It renews a set of tax credits associated with research and development or pilot-scale manufacturing in high-technology industries. Hundreds of small high-tech firms have benefited from the tax credits and exemptions, which also are vital for supporting industries designated as "targets" like advanced computing, semiconductors and biotechnology. Without legislative action the incentives would have expired this year and taxes would have increased.

- **Ensuring educational opportunities for students**

Washington students will be better prepared to succeed in college and job-training programs because of changes made to the Washington Assessment of Student Learning (WASL) this session.

House Bill 2195 allows students as many as five chances to pass the 10th-grade WASL. Formerly, students had one opportunity to pass the exam. If they failed, they wouldn't graduate, and the failure rate was high — with only about a third of 10th grade students passing the test last year. The bill provides up to four retakes and directs the Superintendent of Public Instruction to devise alternatives for students who fail the exam. It ensures teachers and parents are given more information on the areas where students performed well or poorly on the assessments, and options for those who need more than one opportunity to pass the WASL.

- **Relief from rising insurance rates due to unjust lawsuits**

The Legislature missed the opportunity to make meaningful changes to our liability system. Tort reform took center stage when the session began, but instead of focusing on comprehensive solutions to our insurance crisis a cluster of minor bills were passed. I'm disappointed that we fell short of meaningful reform this session, but remain hopeful the 105 day session next year will be more productive in making needed reforms.

- **A new state primary system**

One of the major challenges facing the Legislature this session was to find a replacement to Washington's blanket primary which has been declared unconstitutional. My priority has been to preserve voters choice.

The compromise plan passed by the Legislature — the **Top 2** system — would allow voters to pick their favorite candidate for each office regardless of party affiliation. The top two vote-getters (potentially from the same party) would advance to the November ballot. The measure also included a "fallback" provision — a **Montana-style primary** — requiring that a voter mark only one party's ballot, but ballot choice would be kept private.

The bill that got the final nod may not have been a perfect solution, but it came closest to preserving the most cherished aspects of our blanket primary — it maintained Washington voter's ability to keep their party affiliation private while ensuring maximum choice

UPDATE: On April 1, Gov. Locke vetoed the "Top 2" part of the bill, and the backup Montana plan was left in place. The choice of parties remains confidential and no party registration will be required. Legal challenges were filed immediately, and the Washington Grange has launched an initiative campaign to overturn Locke's veto.

BILLS I PROUDLY SPONSORED WHICH PASSED THE LEGISLATURE:

House Bill 2984, which was signed into law, requires DSHS to conduct a child fatality review in every case of an unexpected death of a child in the care of child welfare services. Reviews will also be required in cases where a child had received services from child welfare services within one year prior to the death. The reports will be published and the agency is required to make it available to the public upon request.

I co-sponsored **House Bill 2400**, which toughens the law against child molesters and provides major revisions to the state's Special Sex Offender Sentencing Alternative law (SSOSA), which in the past has allowed offenders to serve only up to six months in jail and then enter state-supervised treatment in the community. Although the bill was signed into law the battle isn't over. We must continue to find ways to protect our communities as well as prevent young men and women from becoming offenders.

House Bill 1677 would help preserve Washington farms by giving counties the discretion to exempt farming machinery and equipment from the county's property tax. Machinery and equipment owned by farmers in urban counties as personal property is exempt from state property taxes if it's used exclusively for growing and producing agricultural products. Current law doesn't, however, exempt a farmer's personal property from county taxes. HB 1677 would allow counties the ability to offer the same property tax exemption the state allows to farmers. I introduced this bill to provide an incentive for farmers to remain in agriculture and help keep Washington's farming industry viable. **Although the bill was passed by the House and Senate with unanimous support, the governor vetoed HB 1677.**